

Meeting	General Functions Committee
Date	4 November 2013
<b>Subject</b>	<b>People implications of the budget headlines for 2014/15</b>
Report of	Chief Operating Officer
Summary	This report sets out the people implications of the proposed budget headlines for the financial year 2014/15 and the associated statutory consultation process

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Officer Contributors	Steve James – HR Consultant
Status (public or exempt)	Public
Wards Affected	Not Applicable
Reason for urgency / exemption from call-in	Not Applicable
Function of	Council
Enclosures	Appendix 1 – Staff Implications of Revenue Budget Options Appendix 2 – Collective Consultation Paper Appendix 3 – Equalities Analysis – Data Appendix 4 – Cabinet Paper - Business Planning 2014/15 – 2015/16 Appendix 5 – Timeline
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## **1. RECOMMENDATIONS**

- 1.1 That, subject to Cabinet agreeing the detailed budget headlines at its meeting on 4<sup>th</sup> November, the Full Time Equivalent (FTE) revenue savings for the year 2014/15 which are set out in Appendix 1 are approved together with any associated re-structures to expedite those savings.**
- 1.2 That the FTE savings and related restructures are implemented into the Council's establishment structure under delegated powers.**
- 1.3 That, subject to the completion of statutory consultation with staff and Trade Unions and compliance with the Council's 'Managing Organisational Change' policy, that the Chief Operating Officer be instructed to arrange with the respective Directors for redundancy letters to be issued to those employees who have been made redundant as a result of the 2014/15 budget process.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 The detailed budget headlines have been finalised at a Cabinet meeting also held on 4<sup>th</sup> November 2013.
- 2.2 Cabinet on 18 July 2013 agreed the budget setting process for 2014/15 and 2015/16.
- 2.3 Council on 5 March 2013 approved three years of budget proposals spanning 2013/14 to 2015/16.
- 2.4 Cabinet on 25 February 2013 approved three years of budget proposals spanning 2013/14 to 2015/16.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The annual business planning process enables Members to set the strategic direction of the Council – based on the priorities of residents - and for that direction to be reflected in the Council's Corporate Plan. The Corporate Plan stands as the primary document against which Council policy considerations are evaluated in Committee and Delegated Powers Reports.
- 3.2 The Council's strategic priorities and performance targets were refreshed for the period 2013/14 to 2015/16 as part of last year's business planning process and set out in the Council's Corporate Plan which was published in April. The Council's strategic priorities up to 2015/16, as reflected in the Corporate Plan, are as follows:
  - To create the right environment to promote responsible growth, development and success across the borough;
  - To support families and individuals that need it – promoting independence, learning and well-being; and
  - To improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

The Council's budget is focused on delivering these strategic objectives, ensuring that resources follow strategy.

- 3.3 The Corporate Plan forms an overarching framework for more detailed Delivery Unit plans, team plans, and for setting performance objectives for individual officers, ensuring that all elements of the Council's business planning process are focused on achieving the strategic priorities agreed by Cabinet.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 Failure to take action as specified in the report would have significant financial consequences for the Council.
- 4.2 Failure to meet the requirements of statutory consultation could lead to failure to consult and/or unfair dismissal applications to Employment Tribunals.

#### **5. EQUALITIES AND DIVERSITY ISSUES**

##### **5.1 Redundancy Selection Criteria and Redundancy Selection Process**

The selection criteria and selection process will be based on objective and fair criteria and where the criteria impact upon protected characteristics such as disability then the criteria will be adjusted, for example sickness absence data will not include pregnancy related absence or absence related to disability as defined by the Equality Act 2010.

The criteria and process are set out in full within the collective consultation paper at Appendix 2.

##### **5.2 Equalities Analysis**

A phased Council wide employee Equalities Analysis will be undertaken and this will look at the Equality impacts at three key milestones. The Milestones will be:

1. At risk – initial identification
2. At risk - end of consultation
3. Dismissed as redundant after completion of the programme

The first milestone analysis is at Appendix 3. Given that the At Risk number is statistically small, comparisons are inevitably subject to specific contextual circumstances. Nonetheless the data at present indicates that overall the At Risk population mirrors that of LBB as a whole, albeit that there are marginally more females at risk than the norm. This will be monitored through the process and the Council will continue to track the EIA data to understand and to have due regard to the impact of its proposed changes.

#### **6. USE OF RESOURCES IMPLICATIONS**

- 6.1 The financial implications of the proposed redundancies cannot be known at this time as redundancy calculations are based on the age, length of service and salary of each affected employee whose employment is terminated by reason of redundancy and the final profile of this group is unknown. The estimated cost of redundancies based on historical average however is £200,000, subject to any exceptional pension strain cost. Any redundancy costs will be contained within Delivery Unit budgets.
- 6.2 Staffing issues are covered in the consultation paper at Appendix 4. Where there is a re-structure the new service structure and posts will be consulted on as part of

the budget consultation process and new structures will be implemented under delegated powers.

6.3 In order to ensure value for money all redundancies will be reviewed and challenged by the Workforce Board to:

- ensure that Agency workers are displaced wherever practical to 'save' an employee and
- scrutinise redundancy costs to ensure that the Council's limited resources are used to best effect.

6.4 There are no procurement, IT or property implications.

## **7. LEGAL ISSUES**

7.1 The law places a burden on an employer to effect redundancies and organisational restructures fairly. In so doing, it requires that such proposals are subject to consultation with staff and with recognised trade unions for the requisite periods, that procedures to be applied for the selection for redundancy are objective, reasonable, fair and free of discrimination, and that employers make all reasonable effort to locate suitable alternative employment for those employees selected for redundancy. These principles are the basis upon which an employer's conduct will be adjudicated in an employment tribunal, which determines complaints about redundancies.

## **8 CONSTITUTIONAL POWERS**

8.1 Constitution– Responsibility for Council Functions – General Functions Committee – staff matters (salaries and conditions of service).

## **9 BACKGROUND INFORMATION**

### **9.1 FTE Reductions**

The full budget implications and options for 2014/15 are set out in the Cabinet Paper dated 4<sup>th</sup> November 2013, attached at Appendix 4. There are a number of staffing implications as a result of implementing the savings proposals. These are detailed below:

- TUPE transfer in: The savings resulting from alternative service provision in Street Scene meant that 76 in-scope employees working for Kier May Gurney Ltd at the time of transfer automatically became employees of the Council under the TUPE Regulations when their work transferred in October 2013;
- TUPE transfer out: as part of the Customer Support Group (CSG) and Development and Regulatory Services (DRS) contracts staff have been transferred under TUPE to Capita and Re respectively. There were 429 managers and staff in scope for CSG and 256 for DRS. Of these Capita plan to relocate or reduce by circa 150 posts. Capita are consulting on these changes separately, but over the same sort of period as the consultation included in this paper;
- Staffing reductions: compared to previous years the proposed numbers of staffing reductions are not as high.
- This is partly due to the staffing changes detailed above and also because most of the efficiencies in 2014/15 are being achieved from third

party contracts. There are 10.4 FTE proposed reductions for 2014/15, which are detailed in Appendix 1.

## **9.2 Redundancy Consultation Process**

The Trade Union and Labour Relations (Consolidation) Act 1992 (section 188), requires employers, that are proposing 20 or more redundancies at one establishment within a 90 day rolling period, to consult appropriate representatives. Whilst final dismissals will be below 20 staff, the At Risk population is greater than 20 and consequently the Council will follow due consultation for a minimum of 30 days with regard to these changes.

The consultation must therefore include consultation about ways of:

- avoiding the dismissals;
- reducing the numbers of employees to be dismissed; and
- mitigating the consequences of the dismissals.

Section 188 also provides that the following information must be disclosed in writing for the purposes of consultation:-

- The reasons for the proposed redundancies;
- The numbers and descriptions of employees whom it is proposed to dismiss as redundant;
- The proposed method of selecting the employees who may be dismissed;
- The proposed method for carrying out the dismissals, having due regard to any agreed procedure, including the period over which the dismissals are to take effect;
- The total number of employees of any such description employed by the employer at the establishment in question;
- The proposed method of calculating the amount of any contractual redundancy payments to be made to employees who may be dismissed;
- The number of agency workers working temporarily for and under the supervision and direction of the employer;
- The parts of the employer's undertaking in which those agency workers are working; and
- The type of work those agency workers are carrying out.

The full consultation document covering the points above is at Appendix 2.

Where there are restructures required to deliver these savings then consultation will also take place on these changes so that the restructures can be implemented by 31 March to ensure that full in year savings are achieved. It is intended that the process will be completed by 31 March 2014 except for those people on teaching terms who have extended notice periods.

## **9.3 Severance**

Severance will be calculated in accordance with the Managing Organisational Change Policy.

## **9.4 Severance Costs**

The cost of redundancies is estimated at £200,000.

## 9.5 Redeployment Committee

All redundancies will be reviewed and challenged by the Workforce Board to:

- ensure that Agency workers are displaced wherever practical to 'save' an employee; and
- scrutinise redundancy costs to ensure that the Council's limited resources are used to best effect.

## 9.6 People Implications of the Budget proposals

	2014/15	2013/14
Service Area	Proposed FTE Reduction at 31 March 2014	Employees At Risk at 24 October 2013
Adults & Communities	0	0
Commissioning & Assurance	1	2
Education & Skills	7	20
Family Services	2.4	4
Street Scene	0	0
<b>Total</b>	<b>10.4</b>	<b>26 (+ 6 DSG)</b>

## 9.7 Proposed Redundancies

The Secretary of State has been notified on the form HR1 that the likely distribution of potential redundancies (ie those At Risk), including two posts already under consultation from previously agreed restructures is as follows:-

Occupational group	Total number of employees	Number of possible redundancies (At Risk)
Manual	713	0
Clerical	419	1
Professional	886	32
Managerial	182	1
Technical	0	0
Apprentices/Trainees	0	0
Under 18	0	0
<b>Totals</b>	<b>2200</b>	<b>34</b>

## 9.8 Dedicated Schools Grant

There are 6 posts to be put at risk at the beginning of the consultation where the services provided are fully funded by a central budget called the Dedicated Schools Grant (DSG). Funding is in place for these services through to March 2014 but not thereafter as a result of decisions made with regard to the de-delegation of monies for 2013/14. At the schools forum in October 2013, representative Primary and

Secondary heads agreed to defer a decision on de-delegating until December 2013.

Consequently it is not clear at this stage what the impact on these posts will be, although even if schools decide to de-delegate on a similar basis, the amounts will be slightly lower in 14/15 due to academy conversions. As a result, the 6 posts are deemed to be at risk, but the equivalent reduction is, as yet, unknown (and therefore shown as zero). The consultation period relating to changes that are subject to such later decisions will reflect this and will continue until meaningful consultation can be completed.

#### **9.9 Timeline**

The proposed timeline is attached at Appendix 5.

#### **9.10 Notice period**

It is proposed that notice will be given after the consultation period has ended and assimilation processes have been completed and that, wherever possible, this will be completed by 31 March 2014. Where service proposals require public consultation, staff consultation will not close until the former process is complete and Cabinet have approved the changes. Where this is not the case, consultation will close after an appropriate period and following a minimum of 30 days.

The only exception to this is for staff who are employed on teachers' terms and conditions where there is an extended notice period.

Where possible, displaced staff will be asked to work their notice period but, if this is impossible due to the time constraints or would not be in the best interests of the individual and/or LBB, staff may be given pay in lieu of notice instead.

#### **9.11 Mitigating the impact of these proposals**

It is proposed that the savings will be achieved through a variety of approaches including the deletion of vacant posts, the displacement of agency workers, staff restructures and voluntary redundancy where there is a generic pool of staff at risk of redundancy.

The Workforce Board will challenge services to ensure that Agency workers are displaced wherever practical to 'save' an employee.

Redeployment will be implemented in accordance with the Managing Organisational Change Policy, with redeployment opened early to those employees at risk of redundancy.

Finally the Council will provide a series of employee support workshops which will be published to employees.

### **10 LIST OF BACKGROUND PAPERS**

None

<b>Cleared by Finance (Officer's initials)</b>	<b>AD</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>LC</b>

## APPENDIX 1 – STAFF IMPLICATIONS OF REVENUE BUDGET OPTIONS

	2014/15	2013/14
<b>Service Area</b>	<b>Proposed FTE Reduction at 31 March 2014</b>	<b>Employees At Risk at 24 October 2013</b>
<b>Adults &amp; Communities</b>	0	0
<b>Commissioning &amp; Assurance</b>	1	2
<b>Education &amp; Skills</b>	7	20
<b>Family Services</b>	2.4	4
<b>Street Scene</b>	0	0
<b>Total</b>	<b>10.4</b>	<b>26 (+ 6 DSG)</b>



## APPENDIX 2 – COLLECTIVE CONSULTATION PAPER

### CONSULTATION PAPER

#### Proposed job reductions in the Council's directorates to meet the budget targets of 2014/15

SENIOR LEAD MANAGER:	Each affected director
SENIOR HR CONTACT:	Barry Shannon (supported by the HR Business Partners)
CONSULTATION COMMENCES:	24 <sup>th</sup> October 2013
PERIOD OF CONSULTATION:	30 days in accordance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992
CONSULTATION ENDS:	Dependent on specific service changes proposed

Section	Description
1	Introduction
2	Relevant Budget Period
3	Reasons for the proposal
4	Numbers and descriptions of employees whom it is proposed to dismiss as redundant and current numbers of relevant employees
5	Proposed selection criteria to be used to select those who may be dismissed as redundant
6	Proposed selection processes
7	Proposed method of calculating the amount of any redundancy payments to be made
8	Individual Consultation
9	Timescale for implementation
10	Mitigating the impact of these proposals
<b>Annex</b>	
1	Appeal against selection for Redundancy
2	Early Redeployment Process
3	Agency Information

## 1. Introduction

Under s188 of the Trade Union & Labour Relations (Consolidation) Act 1992 this document, together with the attached appendices commences formal consultation in accordance with this duty.

The purpose of this consultation paper is to provide information about the budget proposals and the consequent proposed headcount reductions so that there can be meaningful consultation about ways of

- avoiding the dismissals;
- reducing the numbers to be dismissed; and
- mitigating the consequences of the dismissals.

Comments from affected employees should be addressed to your HR Business Partner or for Trade Unions representatives to Barry Shannon as early as possible and at the latest by the close of formal consultation. Comments should be linked to the three bullets listed above. Meetings have been set up with the Trade Unions to discuss this consultation document.

Responses will be provided throughout the consultation period.

The source document for these Redundancy proposals is the Cabinet paper dated 4<sup>th</sup> November 2013 (appendix to the GFC paper dated 4<sup>th</sup> November). The detail of these budget proposals will be considered at the General Functions Committee and Cabinet meetings held on 4th November 2013

Where there are restructures required to deliver the savings then service specific consultation will also take place during the consultation period. Comments on these service specific consultations should be made to the relevant Delivery Unit Director.

## 2. Relevant Budget Period

The Cabinet paper sets out the budget proposal for the period 2014/15 and this staff consultation concerns the same budget period.

## 3. Reasons for the proposals

The detailed reasons for these proposals is set out in the Cabinet paper dated 4<sup>th</sup> November 2013 from which the following information has been taken :

### 9.1 Executive Summary

9.1.1 In March 2013, the Council agreed its MTFS, which set a three year budget for the period 2013/14 – 2015/16. This report re-affirms proposals for the years 2014/15 and 2015/16.

9.1.2 The total budget gap is £36.415m over the next 2 years (2014-16). The 2 year budget gap has been updated to reflect recent announcements and CSR 2013.

9.1.3 **Savings of £38.736m and pressures of £2.320m** have been identified to enable a balanced budget to be set. The two year budget position is set out in **Appendix A**, with pressures and savings included in **Appendix B**.

9.1.4 The budget proposals within this report are predicated on a **1% reduction** in council tax for 2014/15 and a council tax freeze for 2015/16.

Where as part of the budget saving there are changes to terms and conditions these will be set out in the service specific consultation information and will be consulted upon in parallel during the consultation period.

#### **4. Numbers and descriptions of employees whom it is proposed to dismiss as redundant and current numbers of relevant employees**

Within the cabinet paper the budget proposals and associated proposed redundancies are detailed by service area and then analysed by individual detailed savings proposals.

For each budget line which has a people impact detail has been collected about the related projected **FTE saving**. The table at Appendix 1 of the GFC report of 4<sup>th</sup> November also sets out the number of **employees at risk**. It should be noted that the at risk numbers for a particular budget line may be substantially higher than the projected FTE savings figures, this will occur where re-structures involve a wide team, albeit that only a limited FTE saving is required. However until the restructure consultation is complete there cannot be complete clarity about where any proposed headcount reductions might occur and hence a larger number of employees need to be placed at risk.

In accordance with statutory requirements the Secretary of State has been notified on the form HR1 that the likely distribution of potential redundancies is as follows:-

<b>Occupational group</b>	<b>Total number of employees</b>	<b>Number of possible redundancies (At Risk)</b>
<b>Manual</b>	713	0
<b>Clerical</b>	419	1
<b>Professional</b>	886	32
<b>Managerial</b>	182	1
<b>Technical</b>	0	0
<b>Apprentices/Trainees</b>	0	0
<b>Under 18</b>	0	0
<b>Totals</b>	<b>2200</b>	<b>34</b>

## 5. Proposed selection criteria to be used to select those who may be dismissed as redundant

### ***All proposed redundancies***

The Council as part of its governance process will use the Workforce Board to scrutinise and challenge redundancy costs to ensure that the Council's limited resources are used to best effect. It is proposed that all redundancies will be required to be presented to this committee for agreement.

### ***Proposed redundancies where there is a selection pool***

It is proposed that the cost of redundancy criteria is mandatory.

<b>Cost of redundancy</b>	Based on the total cost of redundancy as per estimates of benefit prepared as part of the redundancy process. Part time staff will have their total years service treated in the same way as full time staff but to mitigate against an imbalance in respect of relative cost of redundancy payments and pension, the actual cost should be rounded up to a full time equivalent.	High Cost 20 = in excess of 6 months salary excluding on costs Average cost 5 = 4-6 months salary exc on costs Low Cost 0 = less than 4 months salary
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### ***Operation of the Cost of Redundancy Selection Criteria and tie breaks***

It is proposed that where the selection criteria are used and where employees are equal on points after including the cost criteria, then cost criteria will be reapplied again as the tie break. The lowest scoring person on the cost criteria will then be selected for redundancy.

Where employees are then tied on points for the cost criteria it is proposed that the second tie break would be that the absolute lowest cost person would be selected for redundancy.

### ***Other selection criteria***

For selection pools it is proposed that in addition to the mandatory cost criteria that the criteria set out below may be used and it is proposed that the lowest scoring person will then be selected for redundancy. All selection criteria must be cost plus a further relevant selection criteria.

<b>Criteria</b>	<b>Description</b>	<b>Points</b>
<b>Knowledge, skills and experience</b>	Based on the person specification for the job role and business case for future service needs.	Full Match 20 points Part match 10 points No match 0 points
<b>Qualifications</b>	Based on essential and desirable qualifications or equivalent listed in the person specification for the new role. Less weight should be given to desirable qualifications. If no qualification is specified on the person specification maximum points should be given.	Full Match 20 points Part match 10 points No match 0 points
<b>Absence</b>	Based on the employee's recorded absence for each of the previous 2 years to date. Sickness absence does not include pregnancy related absence, disability related as defined by the Equality Act and Industrial injuries accepted by the Council's insurance section.  Where an employee has less than 2 years service then actual sickness absence will be grossed up for occasions	10 = no absence 7 = absence below trigger level 5 = meeting trigger point but informal action 1-4 = formal caution/warning 0 = final caution

	and days to as if they had 2 years service however the minimum number of points will be 4.	
<b>Capability</b>	Be based on procedures informal/formal that have commenced and been discussed fully with the employee in the past 2 years to date	10 = no action 7 = informal action 5 = first written warning 0 = final warning short of dismissal
<b>Disciplinary record</b>	Based on unexpired warnings	10 = highest (no disciplinary record) 7 = informal action 5 = first written warning 0 = final warning short of dismissal

It is further proposed that Directors and ADs in conjunction with HR Business Partners will decide for each budget cut where there is a pool:

- which of these other selection criteria should be used,
- any ordering or grouping of those criteria,

## 6. Proposed selection process

The budget proposals have been carefully designed to ensure that the Council retains the necessary skills and capabilities to deliver its services and as a consequence there will be no general voluntary redundancy process. The Managing Organisational Change policy is however focussed on maximising redeployment opportunities so that skills and capabilities are redeployed within the Council as far as possible.

The proposed savings will be broadly achieved either by stopping activities or by re-structuring services. Restructuring will include a mix of stopping activities, reorganisation of activities and identification of efficiencies.

To reduce the numbers being dismissed there will be a variety of approaches including: deletion of vacant posts, displacement of agency workers and restructures. After this volunteers will be sought where there is a pool of staff at risk of redundancy. It is however envisaged that there will be a need for some compulsory redundancies,

### ***Re-structures to deliver savings***

Where the savings proposal is concerned with delivering savings through a mixture of stopping activities; re-organisation and efficiency savings then all relevant substantive employees will initially be at risk of redundancy however the Local Restructures - redeployment procedure will be applicable.

The detail of re-structures and the proposed 'to be' structures will be shared with relevant employees as part of the consultation process and subject to any views which are put forward it is proposed to implement any restructures prior to 31 March 2014.

Should at risk employees not be successful in gaining a role within the local restructure they will be able to participate in the Council wide Redeployment Procedure (see Annex 2 of this document) and early redeployment process.

If the employee at risk is unable to be redeployed across the Council then they will be made redundant.

It is proposed that these employees will be subject to the mandatory cost selection criteria: where the total cost of making an employee redundant is in excess of 6 months salary (excluding on-costs) then the service will be asked by the Workforce Board to reconsider whether the saving could be achieved in another way.

### ***Selection Pool***

A selection pool situation will arise where as part of local restructures for particular job/s there are more people at risk and who have claim on the role by virtue of the job being a Grade and 55% job match than there are available roles.

This situation is described in Managing Organisational Change Policy. In this situation volunteers will be sought and they will be assessed using the redundancy selection criteria. If necessary remaining employees will be selected for redundancy using the relevant redundancy selection criteria.

Should at risk employees not be successful in gaining a role within the local restructure they will be able to participate in the Council wide Redeployment Procedure and early redeployment process.

If the employee at risk is unable to be redeployed across the Council then they will be made redundant.

It is proposed that these employees will be subject to the mandatory cost selection criteria: where the total cost of making an employee redundant is in excess of 6 months salary (excluding on-costs) then the service will be asked by the redeployment committee to reconsider whether the saving could be achieved in another way. The affected employee will be told the outcome of the workforce board's decision.

### ***Consolidation and cross Council Activities***

Where the budget line is concerned with consolidating like activities which are currently spread across the Council then it is proposed that the assimilation process described in the Managing Organisational Change Policy, should apply across Delivery Units. The purpose of this proposal is to ensure that the maximum number of staff impacted by consolidation or cross Council activities are redeployed through assimilation.

### ***Redeployment***

An early redeployment process is available to employees who are at risk of redundancy.

If substantive employees who are not at risk wish to apply for roles they will need to wait until the redeployment process is complete. Casual and interim workers are not able to apply for roles until they are advertised externally.

Redeployment is only available until the end of the employee's notice period. Where employees are paid all or part of their notice, they will be eligible to remain on the redeployment register until such time that their notice would have expired had they worked their notice. Where they are redeployed to a role during the period for which they receive pay in lieu of notice then their redundancy payment will be withdrawn and if the payment

has already been made they will have to repay their redundancy payment within 7 days of recommencing work at Barnet. Their service will continue as if there were no break in service.

### ***Role of the Workforce Board***

The Council as part of its governance process will use the Workforce Board as a redeployment committee to scrutinise all proposed redundancies to ensure that the Council's limited resources are used to best effect. Where the redundancy committee 'saves' an employee from redundancy who was selected from a pool then the scores from the selection process scoring must be revisited and the next lowest scoring person selected, using the proposed tie breaks as necessary. This ensures that the selection process continues to be applied consistently.

The Workforce Board will also challenge services to ensure that Agency workers are displaced wherever practical to 'save' an employee.

### ***Right of appeal***

Employees selected for redundancy will have the right to appeal if they feel that they have been unfairly selected (see Annex 1 of this document). Employees who wish to appeal should do so in writing to their Director within 5 working days of receipt of their redundancy decision letter, stating the grounds on which their appeal is based.

## **7. Proposed method of calculating the amount of any redundancy payments to be made**

Compensation for redundancy will be calculated using the table at Annex A of Managing Organisational Change. This table provides the number of weeks pay that the employee will be entitled to on being made redundant

Having established the number of weeks compensation to be paid, perform the following calculation:-

Current substantive annual salary divided by 52.14, multiplied by number of weeks compensation = redundancy compensation

## **8. Individual Consultation**

All affected staff will have one-to-one meetings with their manager, HR will not normally be in attendance.

It is good practise to allow employees to have a work colleague or Trade Union representative to accompany them however this is not a statutory right and meetings should not be unnecessarily delayed because colleagues or TU reps are not available. The companion's role is to support. The companion does not: have the right to answer questions on the employee's behalf; address the meeting if the employee does not wish it or prevent the manager from explaining the proposals.

These meetings will be minuted so that there is a record of matters discussed.

At the meeting the manager will share with the employee the reason why they are at risk of redundancy and if they do not already have it any detailed service specific restructure information including structure charts, role profiles and relevant grades.

## **9. Timescale for implementation**

The proposed timeline is attached at Appendix 5.

### ***Notice period***

It is proposed that notice will be given after the consultation period has ended and assimilation processes are complete and that, wherever possible, this will be completed by 31 March 2014. This is to ensure that the full year effect of the savings are achieved before the start of the financial year 2014/15. If there were to be delay this would require further revenue savings in that financial year to achieve a balanced budget

The only exception to this is for staff who are employed on teachers' terms and conditions where there is an extended notice period.

Where possible, displaced staff will be asked to work their notice period but, if this is impossible due to the time constraints or would not be in the best interests of the individual and/or LBB, staff may be given pay in lieu of notice instead.

## **10. Mitigating the impact of these proposals**

It is proposed that the savings will be achieved through a variety of approaches: deletion of vacant posts; displacement of agency workers; restructures; volunteers where there are pool of staff at risk of redundancy.

The Workforce Board will challenge services to ensure that Agency workers (see Annex 3 of this document) are displaced wherever practical to 'save' an employee.

Redeployment will be implemented in accordance with the Managing Organisational Change Policy, with Redeployment opened early to those employees at risk of redundancy.

Finally the Council will provide a series of employee support workshops.



## **Annex 1 – Appeal against selection for Redundancy**

### Appeal Against Selection for Redundancy

1. Employees dismissed by reason of redundancy must be given the opportunity to appeal their selection for redundancy.
2. **Appeals against selection for redundancy**

The following will apply in all cases:

- 2.1. If an employee wishes to appeal against selection for redundancy, a written notice of appeal must be received by the relevant Delivery Unit Director within five working days of the date of the employee being notified that he or she has been selected for dismissal on the grounds of redundancy.
- 2.2. Employees cannot appeal against:-
  - the rationale for the business decision which led to the redundancy
  - the method of selection
  - the selection criteria
- 2.3. Employees can appeal against:-
  - whether the selection process was applied fairly to them ;
  - the way the selection criteria were applied to them
- 2.4. Within ten working days of the date of the employee being notified that he or she has been selected for dismissal on the grounds of redundancy the employee will submit to their Director, copied to HR, their grounds for appeal which must relate to the points in para 2.3. Late submissions will not be accepted unless an extension of time has been agreed before the expiry of this time limit.
- 2.5. The redundancy selection will continue unless and until it is rejected on appeal.
- 2.6. Appeals against selection for redundancy will be heard by a senior manager, different to and at least the same grade as that of the manager who made the decision to dismiss, and will be nominated by the Director of the employee's service with support from HR. Where a Director has made the decision to dismiss an employee, the Chief Operating Officer or the Chief Executive will normally hear the appeal.

### **3. Procedure**

- 3.1. The employee will be given reasonable written notice of the time and venue of the appeal meeting. The employee may be accompanied by a Trade Union Representative or LBB work colleague.

The companion's role is to support the employee. The companion should be allowed to address the hearing to put and sum up the employee's case, respond on behalf of the employee to any views expressed at the meeting and

confer with the employee during the hearing. The companion does not, however, have the right to answer questions on the employee's behalf, address the hearing if the employee does not wish it or prevent the employer from explaining their case.

- 3.2. The Council's representative (normally the manager who made the redundancy selection decision) will give the rationale for the selection of the individual for redundancy, this will be either in person or in writing. Where it is in writing the hearing manager will read the rationale out.
- 3.3. The employee will have the opportunity to ask questions of the evidence given by the Council's representative.
- 3.4. The employee will state his or her case either in person or in writing. Where it is in writing the hearing manager will read the rationale out.
- 3.5. The Council's representative will have the opportunity to ask questions of the employee.
- 3.6. The manager holding the appeal meeting will have the opportunity to ask questions of the Council's representative and the employee.
- 3.7. The Council's representative and the employee will have an opportunity to summarise their case if they so wish.
- 3.8. The manager holding the appeal meeting will announce the decision verbally where possible and the decision will be confirmed, in writing within five working days.

Following the appeal meeting, one of the following decisions may be taken:

- i) Appeal rejected - redundancy upheld
- ii) Appeal upheld - redundancy notification withdrawn

This decision cannot be the subject of a further appeal meeting.

- 3.9. The appeal papers will be retained on the employee's personal file.

## Annex 2 – Early Redeployment

### 1. Introduction

In an effort to maximise redeployment opportunities and to ensure the most efficient use of the Council's financial resources it has been decided to put in place an immediate redeployment process which gives preference to at risk employees to find suitable alternative work.

### 2. What is suitable alternative work for redeployment purposes?

This is defined as a job as 2 scp higher than the top of an employee's current grade and 4 scp lower than the bottom of their current grade. This is termed a 'grade match'.

Therefore an employee with a role graded 22-25, suitable alternative work would be a job in the range 18-27.

### 3. Process

This will apply to all vacancies in agreed structures:

1. **Assimilation** – the available post will be assessed to determine whether anyone at risk in the team is available for assimilation. The BP will work with ADs and HoS to make this assessment. Where the post is still vacant after this stage then:
2. **Redeployment within the team** – the post will be offered to at risk people first within the team. Eligible employees will be those where the grade match is a suitable alternative role – see above. Where the post is still vacant after this stage then:
3. **Redeployment across the Council** - at risk and redeployees will be given preference for roles where there is a grade match – see above. Practically this means that the role will be advertised to all employees but that any at applicants who are 'at risk' or who are redeployees must be considered first by recruiting managers. This will be managed by HR with applicants who are not at risk or who are not redeployees having their applications held back by HR until the recruiting manager has reviewed and where appropriate interviewed at risk/ redeployees first. Where the post is still vacant after this stage then:
4. **Roles available for all Council employees (including Agency workers)** - this means that the recruiting manager will then be able to review those applications held back by HR – as set out in stage 3 above. At risk employees and redeployees who are applying as a promotion will also be considered at this stage Where the post is still vacant after this stage then:
5. **Advertise externally.**

#### **4. Timescales**

- All internal adverts will be for 7 days.
- Successful candidates must confirm within 7 days whether they wish to accept a job offer
- Where the redeployment is into a post that may come to an end after 31 March 2014 then the employee if not redeployed at that time would be made redundant with all of their continuous service but on the severance terms in place at that future date.

#### **5. Trial Periods**

All redeployees will be subject to a four week trial period. Should the redeployee's substantive post be confirmed as being deleted then the redeployee will receive a redundancy notice confirming that their substantive post has been deleted. This means that the redeployee will not be disadvantaged with regard to severance terms should, the trial period be unsuccessful.

## **Annex 3 – Agency Information**

This information will be provided in three ways:

1. An Agency summary which shows Agency workers utilised across the Council
2. Number and list of Agency roles registered to Council through its MSP per Delivery Unit.
3. Number and a list of Agency roles sourced through other routes to the MSP per Delivery Unit

In order to assist those employees who find themselves either at risk or as a redeployee the Council will permanently advertise those roles which are established and filled by Agency workers and which are not in scope for deletion or which have an expected duration of greater than three months.

## APPENDIX 3 - EQUALITIES DATA ANALYSIS

		Whole Authority		In Scope	
Date		30.09.13		30.09.13	
		No	% of the population	No	% of the population
Number of employees	Permanent & temporary staff LBB	2200		34	
Gender	Female	1437	65.32%	26	76.47%
	Male	763	34.68%	*	23.53%
	<b>Total</b>	<b>2200</b>	<b>100.00%</b>	<b>34</b>	<b>100.00%</b>
Date of Birth	1985-1996	165	7.50%	*	2.94%
	1975-1984	454	20.64%	*	8.82%
	1965-1974	609	27.68%	10	29.41%
	1951-1964	872	39.64%	17	50.00%
	1941-1950	99	4.50%	*	8.82%
	<1940	*	0.05%	*	0.00%
	Not known	*	0.00%	*	0.00%
	<b>Total</b>	<b>2200</b>	<b>100.00%</b>	<b>34</b>	<b>100.00%</b>
Ethnic Group	British	1116	50.73%	23	67.65%
	Irish	69	3.14%	*	2.94%
	Turkish Cypriot	10	0.45%	*	0.00%
	Greek Cypriot	32	1.45%	*	2.94%
	Other White	160	7.27%	*	2.94%
	<b>White Subtotal</b>	<b>1387</b>	<b>63.05%</b>	<b>26</b>	<b>76.47%</b>
	White and Black Caribbean	*	0.00%	*	0.00%
	White and Black African	*	0.00%	*	0.00%
	White and Asian	13	0.59%	*	0.00%
	Other Mixed	40	1.82%	*	5.88%
	<b>Mixed Subtotal</b>	<b>53</b>	<b>2.41%</b>	<b>2</b>	<b>5.88%</b>
	Indian	139	6.32%	*	0.00%
	Pakistani	21	0.95%	*	0.00%
	Bangladeshi	20	0.91%	*	2.94%
	Other Asian	32	1.45%	*	0.00%
	<b>Asian and Asian British Subtotal</b>	<b>212</b>	<b>9.64%</b>	<b>1</b>	<b>2.94%</b>
	Caribbean	130	5.91%	*	11.76%
	African	187	8.50%	*	0.00%
	Other Black	24	1.09%	*	0.00%
	<b>Black or Black British Subtotal</b>	<b>341</b>	<b>15.50%</b>	<b>4</b>	<b>11.76%</b>
	Chinese	16	0.73%	*	0.00%
	Other Ethnic Group	41	1.86%	*	0.00%
	<b>Chinese or Other Ethnic Group Subtotal</b>	<b>57</b>	<b>2.59%</b>	<b>0</b>	<b>0.00%</b>

	<b>Not declared/Blank/Not assigned</b>	150	6.82%	*	2.94%
	<b>Total</b>	2200	100.00%	34	100.00%
<b>Disability</b>	<b>Physical co-ordination</b> (such as manual dexterity, muscular control, cerebral palsy)	*	0.00%	*	0.00%
	<b>Hearing</b> (such as: deaf, partially deaf or hard of hearing)	*	0.27%	*	0.00%
	<b>Vision</b> (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses)	*	0.05%	*	0.00%
	<b>Reduced physical capacity</b> (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes)	11	0.50%	*	0.00%
	<b>Learning difficulties</b> (such as dyslexia)	*	0.18%	*	0.00%
	<b>Mental illness</b> (substantial and lasting more than a year)	*	0.23%	*	0.00%
	<b>Mobility</b> (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis)	*	0.32%	*	0.00%
	<b>Other disability</b>	34	1.55%	*	2.94%
	<b>No disability</b>	2132	96.91%	33	97.06%
	<b>Not stated</b>	0	0.00%	*	0.00%
	<b>Total</b>	2200	100.00%	34	100.00%

<b>Gender Identity</b>	Transsexual/Transgender (people whose gender identity is different from the gender they were assigned at birth)	*	0.00%	*	0.00%
	Not stated	*	0.00%	*	0.00%
<b>Pregnancy and Maternity</b>	Pregnant but not yet on maternity leave (MatB1)	*	0.00%	*	0.00%
	Maternity Leave (current) (SMP&OMP)	*	0.00%	*	0.00%
	Returned from Maternity Leave (in last 12 months)	*	0.00%	*	0.00%
<b>Religion or Belief</b>	Christian	1026	46.64%	14	41.18%
	Buddhist	12	0.55%	*	0.00%
	Hindu	121	5.50%	*	0.00%
	Jain	6	0.27%	*	0.00%
	Jewish	66	3.00%	*	11.76%
	Muslim	83	3.77%	*	2.94%
	Sikh	11	0.50%	*	0.00%
	Other faith religions	79	3.59%	*	5.88%
	No religion	389	17.68%	*	17.65%
	No response on faith	174	7.91%	*	8.82%
	No form returned	24	1.09%	*	0.00%
	Atheist	43	1.95%	*	2.94%
	Agnostic	28	1.27%	*	2.94%
	Humanist	*	0.14%	*	2.94%
Not assigned	135	6.14%	*	2.94%	
	<b>Total</b>	<b>2200</b>	<b>100.00%</b>	<b>34</b>	<b>100.00%</b>
<b>Sexual Orientation</b>	Heterosexual	1531	69.59%	24	70.59%
	Bisexual	*	0.41%	*	0.00%
	Lesbian or Gay	31	1.41%	*	5.88%
	Prefer not to say	419	19.05%	*	17.65%
	Not assigned	210	9.55%	*	5.88%
	<b>Total</b>	<b>2200</b>	<b>100.00%</b>	<b>34</b>	<b>100.00%</b>
<b>Marriage and civil partnership</b>	Married	640	29.09%	11	32.35%
	Single	479	21.77%	*	26.47%
	Widowed	16	0.73%	*	0.00%
	Divorced	51	2.32%	*	2.94%
	In Civil partnership	*	0.41%	*	2.94%
	Cohabiting	30	1.36%	*	0.00%
	Separated	*	0.36%	*	0.00%



Unknown	962	43.73%	12	35.29%
Not assigned	*	0.23%	*	0.00%
<b>Total</b>	2200	100.00%	34	100.00%

## GFC Report - Appendix 4 – Cabinet Paper

## APPENDIX 5 – TIMELINE

### 2013-14 Budget Cuts and Headcount implication timeline

Activity	Date	Responsibility
HR1 for DWP	Thursday 24th October	HR
Collective Consultation opened with TUs, including s188 letter plus Consultation document	Thursday 24 <sup>th</sup> October	HR
Directorate consultation opened Presentation to staff Respond to comments/ suggestions as they arise At risk letters issued from	Friday 25 <sup>th</sup> October	SLT
Committees: Cabinet and GFC	Monday 4 <sup>th</sup> November	HR
Monthly collective consultation meetings with TUs	Nov, Dec, Jan	HR
Directorate – TU consultation: Area JNCCs	Nov, Dec, Jan	SLT
Individual Consultation consultation on selection criteria, selection process Respond to comments/ suggestions as they arise 1-1s: Script inc template Companions Structures: As Is – To Be Role profiles Evaluated Grades HR will not normally be present	7 Nov onwards	SLT
To Be structures: implemented during consultation period on a 'subject to' basis		
Close consultation subject to any extensions	Monday 25 <sup>th</sup> November	
Changes fully implemented by Delivery Units	31 March 2014	SLT

#### Glossary

HR	Human Resources
SLT	Delivery Unit Senior Leadership Team